

**Establishment of Transmission System –
Talcher –II Augmentation System
through tariff based competitive bidding process.**

Clarification to Bidder’s queries on RFQ document:

Sl. No.	Query Description	Clarification/ Remarks
1.	While going through the technical qualification requirement, clause no. 2.1.2 we have observed that technical experience requires development of projects. We are in to roads, highway and bridge construction and doing also BOT project in Punjab. Please confirm that these will be considered the development of projects.	The projects experience shall be considered in development of projects (not necessarily in power sector) but not in construction of projects as a mere contractor. Development experience in proposed sectors will be considered for meeting Technical Requirements.
2	We would like to know the line length of each transmission system as indicated in the scope of work of each project to meet the technical requirement.	With regard to Technical Requirement, the Bidder has to meet capital expenditure requirement as given in Clause 2.1.2 of RFQ and line length of each Transmission System is not required for meeting the Technical Requirement.
3	With reference to the RFQ documents, we would request you to kindly consider making the following amendment in the clause 2.1.2 – Technical Requirements – As per the current stipulations of the clause, the Bidding Company or the Lead Member of the Consortium should have experience in development of the projects (not necessarily in power sector). We would appreciate if, along with the experience in development, the experience in construction of transmission systems (lines and sub-stations) could also be included in the eligibility criteria. This will enable the firms with extensive technical experience in transmission systems to also participate in this project.	Project specific RFQ has been prepared based on Standard Bidding Document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.
4.	Query from transformer manufacturer- Whether transformer packages are separately tendered?	Transformer packages are not separately tendered by BPC through the RFQ under consideration.
5.	Is there any pre bid meeting proposed before submission of RFQ?	No Pre-Bid Meeting is proposed before submission of RFQ.
6.	It would be really helpful if you can provide more information on the following points – a) Indicative Capital Cost of the projects. b) Length of the Transmission lines that are	a) The Bidder needs to work out the Capital Cost of the projects on his own. Bid Process Coordinator (BPC) shall provide no such information in this regard. b) This information is not being provided at

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	required to be laid.	RFQ Stage.
7.	<p>As per Request for Qualification (RFQ) documents, the bid document needs to be signed by the Managing Director/ Chief Executive Officer of the bidding Company. Also it requires continuous and regular correspondence with you related to the project at frequent intervals.</p> <p>You will appreciate that it will be practically difficult for the Managing Director/ Chief Executive Officer to sign all documents related to these projects. Hence we request you to permit the executives holding the Power of Attorney issued by competent authority to sign all the documents and do all correspondence related to these projects, which is an accepted norm for bids in India. We assure you that we will submit the legally binding Power of Attorney for the person signing the bid document.</p> <p>As you are aware the Common seal of the Company is held by Company Secretary and can be affixed in presence of two directors only. As explained, it would be an extremely difficult process for the directors to be present for affixing the common seal and hence we request you to permit us to affix company seal instead, which is again an accepted practice.</p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>
8.	<p>RFQ CLAUSE 3.1.3.1 Interpolation of financial data.</p> <p>a) We are advised on all Government Tenders to use Rates from RBI Web Site?</p> <p>b) Since Bid submission is on Nov 19th, and it takes 15 days to Compute Latest Financial Data, hence can we use Figures Prevailing On November 1, INSTEAD OF SEVEN DAYS PRIOR IE Nov 12th 2008. We will compute, conservatively the exchange rate, and attach detail calculations</p>	<p>a) This clause is based on Standard Bidding Document issued by Ministry of Power, Government of India and only State Bank of India exchange rate as per provisions of RFQ is to be considered.</p> <p>b) Exchange rates as on dates, as provided under Clause 3.1.3.1 of RFQ are to be considered.</p>
9.	<p>a) We need to know how we get the exchange rate USD/INR from State Bank of India.</p> <p>b) If we cannot get this can we use the exchange rate given by Reserve Bank of India?</p> <p>c) For currency other than USD, Bidders shall</p>	<p>a) The exchange rate is to be obtained from State Bank of India directly by Bidder.</p> <p>b) No. Only State Bank of India exchange rate as per provisions of RFQ is to be considered.</p>

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	convert such currency into USD as per the exchange rates certified by their Banker prevailing on the relevant date and used for such conversion. Which date do we have to use for this conversion and can we get this from any source?	c) Exchange rates as on dates, as provided under Clause 3.1.3.1 of RFQ are to be considered. Exchange rates for currencies other than USD shall be obtained from their Banker duly certified as per provisions of RFQ.
10.	2.1.2(RFQ of TRANSMISSION PROJECTS) regarding: Technical requirement to be met by the Bidding Company or Lead Member of Bidding Consortium: Development of Projects (Not necessarily in Power Sector) : My company has developed large projects in the real estate sector (buying the land, developing the whole project and selling to Customers) can we add the capital spent on these projects to the capital expenditure amount.	The projects experience shall be considered in development of projects (not necessarily in power sector) but not in construction of projects as a mere contractor. The Bidder is also required to comply with other provisions as given in Clause 2.1.2 of RFQ.
11.	Company 'X' which is a 100% subsidiary company of 'Y' and is not required to have Managing Director/Chief Executive Officer/ Manager as per sections/ provisions of the Companies Act 1956 and its subsequent amendments. In view of above, we request you to permit the holder of the Power of Attorney to sign the formats (4.7 A, B, C & D) of bid document on behalf of 'X' which is in conformance with <i>Section 269 (1) of the Companies (Amendment) Act, 1988, Rule 10A of General Rules and Forms (second Amendment Rules, 1990 w.e.f. 17/04/1990), Section 291 & 292 of the Companies (Amendment) Act, 1960</i> and also an accepted norm of bids in India.	Project specific RFQ has been prepared based on Standard Bidding Document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.
12.	We would like to seek clarification on following: a) Concession period for the two project b) Whether these projects are on BOOT or BOO or some other similar basis c) Clause 2.1.2 in the RFQ states that – "Experience of development of projects (not necessarily in the power sector) in the last ten (10) years with aggregate capital expenditure not less... " i) Would development of projects include - Execution of EPC contracts/Turn-key solutions for Infrastructure projects? ii) According to the RFQ, the Applicant doesn't need to have any experience in power	a) The Expiry date of Transmission License shall be the date which is 25 (twenty five) years from the date of issue of Transmission License or such extended period as granted by the Appropriate Commission. b) These projects shall be established on Build, Own, Operate & Maintain basis. c) Clause 2.1.2 of RFQ i) The projects experience shall be considered in development of projects (not necessarily in

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	<p>generation/transmission projects. Since the proposed projects are related to the power sector; we suggest that a minimum threshold experience in this sector, especially power transmission be mandated by the authority. The partners (both foreign and domestic) that we are currently in discussions with have considerable experience in the development of Transmission projects and as suppliers of turnkey solutions for Transmission projects. But, their valuable and relevant experience wouldn't be adequately recognized, the way the current RFQ is structured.</p>	<p>power sector) but not in construction of projects as a mere contractor/ EPC contractor/ Turnkey Contractor.</p> <p>ii) This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>
13.	<p>Definition Section : "Long Term Transmission Customer (s)"</p> <p>a) The BPC should provide a list of persons availing or intending to avail access to the Inter-State Transmission System.</p> <p>b) Further, the BPC should confirm that the terms of the Supplementary Agreement shall not be in any manner less favorable to the TSP than the terms agreed under the TSA.</p>	<p>a) BPC shall provide the list of Long Term Transmission Customer(s) at RFP stage.</p> <p>b) This is as per Standard Bidding document issued by Ministry of Power, Government of India.</p>
14.	<p>Definition Section : "Transmission Service Provider" or "TSP"</p> <p>The language of the definition suggests that the TSP has already executed the Transmission Services Agreement. BPC to confirm whether the TSA has been executed with any Long Term Transmission Customer and provide a copy of the executed TSA to the Bidding Consortium.</p>	<p>Transmission Services Agreement has not been executed so far.</p>
15.	<p>RFQ Clause 1.6.2.2 : Amendment sought:</p> <p>(a) We understand that the BPC or its authorized representative shall initiate the acquisition of land for the location specific substations, switching stations or HVDC terminal or inverter stations. Please elaborate on the steps that shall be "initiated" by the BPC or its authorized representative with respect to the acquisition of land. Upon completion of the route survey, the BPC should acquire the land for the TPS under the Land Acquisition Act, 1894 and hand over title and possession over such land. Further, the land acquisition process should include all land that may be required for laying of "Transmission Lines" as defined in the Tariff based Competitive Guidelines for Transmission Service dated April 17, 2006 issued by the Ministry of Power.</p> <p>(b) To obtain the requisite initiate process of</p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>

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	<p>seeking forest clearances, if required.</p> <p>(c) Furthers the BPC should also ensure that the Right of Way or Right of Use, if required, is obtained for the purpose of laying "Transmission Lines".</p>	
16.	<p>RFQ Clause 2.2.4.1</p> <p>Please amend this Clause as follows:</p> <p>There shall be only one Lead Member which shall continue to hold <u>at least</u> twenty six percent (26%) equity in the TSP and cannot be changed for five (5) years from the Commercial Operation Date (COD) of the Project. Each Member in Bidding Consortium shall duly sign the Consortium Agreement making it liable for raising the required funds for its respective equity investment commitment as specified in the Consortium Agreement. In absence of Consortium Agreement, the Response to RFQ will not be considered for evaluation and will be rejected.</p> <p>Provided further that the Consortium Agreement shall not be amended without the explicit approval of the BPC until issuance of the Letter of Award.</p> <p>Rationale:</p> <p>The Bidder will seek approval from the BPC in case an amendment is required in the Consortium Agreement but there should be some timeline within which: (a) such restriction on amendment should be in force and (b) BPC should communicate response against request of the Bidder.</p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>
17.	<p>RFQ Clause 2.2.6.1.1- Amendment sought:</p> <p>Subject to the provisions of Clause 2.1.5 and 2.1.7 and the condition that the Bidder remains qualified after the Change in Ownership, as required by the provisions of the RFQ, the Change in Ownership <u>in the TSP</u> may be permitted in the following cases:</p> <ol style="list-style-type: none"> i. the Bidder/<u>Lead Member</u> with any of its Affiliates ii. Parent/ Affiliate (whose technical and / or financial credentials were used at the time of RFQ), as the case may be, with any other Affiliate/Parent, as the case may be, of the Bidder/<u>Lead Member</u> 	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>

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	<p>iii. Parent/ Affiliate/Ultimate Parent / Bidder with any other company provided</p> <p>a) the company is not a Bidder/<i>Lead Member</i> for the Project ,</p> <p>b) Parent/ Affiliate/Ultimate Parent of the company is not a Bidder/<i>Lead Member</i> for the Project,</p> <p>c) the company is not Parent/ Affiliate/Ultimate Parent of any Bidder/<i>Lead Member</i> for the Project.</p>	
18	<p>RFQ Clause: 4.6 (7), (8) and (9)</p> <p>Delete 7, 8, and 9.</p> <p>In our view, in the event of a Consortium Member’s failure to infuse its share of the equity into the TSP, the liability of the Lead Member shall be to infuse such equity into the TPC and ensure that the TPC continues to implement the project. This has already been covered under Clause 4.</p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>
19.	<p>RFQ Clause: 4.6 (12)</p> <p><u>(a)</u> This Consortium Agreement shall be construed and interpreted in accordance with the Laws of India and <i>subject to sub-clause (b)</i> the courts at <i>Mumbai</i> alone shall have the exclusive jurisdiction in all matters relating thereto and arising there under.</p> <p><i>(b) If the Parties have not been successful in amicably resolving a dispute related to the Consortium Agreement, the Parties agree to refer such disputes to arbitration in accordance with the Arbitration & Conciliation Act, 1996 and amendments thereto. The Arbitral tribunal shall consist of three arbitrators. Each Party shall appoint one arbitrator and such arbitrators so appointed by the Parties shall by agreement appoint the third arbitrator. Venue of arbitration shall be Mumbai and the arbitration shall be conducted in the English language. The validity, construction and performance of this Agreement including its enforcement shall be governed by and interpreted in accordance with the laws of the Union of India.</i></p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the change proposed is not being considered.</p>

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	<p>Rationale: Disputes between the Consortium Members arising from the Consortium Agreement should be resolved by arbitration</p>	
20	<p>Requirement of affixing signatures of Statutory Auditors of the Bidding Company / Parent / Affiliate / Ultimate Parent on the qualification formats</p> <p>The Request for Qualification (RFQ) documents requires affixing signatures of Statutory Auditors of the Bidding Company / Parent / Affiliate / Ultimate Parent on the qualification formats. When this was discussed with Statutory Auditors of the company, they expressed their unwillingness to issue report/ certificate directly to any other party with whom they do not have contractual arrangement. Considering this, in order to meet the qualification requirements, the following process has been suggested:</p> <ul style="list-style-type: none"> √ Statutory Auditors of the Bidding Company / Parent / Affiliate / Ultimate Parent submit Audit Report to the Board of Directors of the Bidding Company / Parent / Affiliate / Ultimate Parent; and, √ Bidding Company / Parent / Affiliate / Ultimate Parent submits the details in the desired formats duly signed by the authorized representative of the company along with the audit report certified & submitted by the statutory auditors. In effect the bid qualification document does not bear the signatures of the Statutory Auditors but necessary supporting document will have the signature by the statutory auditor confirming the qualification numbers submitted by the company. <p>Please note that same process was adopted and accepted for qualifications to bid for generation projects in Punjab. We request you to concur on the above suggested process for the purpose of meeting qualification requirements by Bidders.</p>	<p>This is as per Standard Bidding document issued by Ministry of Power, Government of India. Therefore the suggestions proposed are not being considered.</p>

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21.	<p>1. The RFQ documents are issued to us in the name of 'X', please confirm that in case a wholly subsidiary company of 'X' having major holding can submit the application and this will not be treated as transfer of RFQ documents. Also please confirm that 'X' or its wholly subsidiary company can submit the application in consortium with another company based on the purchased documents.</p> <p>2. Please confirm that an application can be submitted by downloading the RFQ and submitting a demand draft for the amount of Rs. 30,000/- each and that the DD can be dated as the same date that of application.</p>	<p>1. Yes, it will be treated as transfer of RFQ document. 'X' has to be one of the Member in the Bidding Consortium. In case, the subsidiary company of 'X' wants to be one of the Member of Bidding Consortium, without 'X', then the separate RFQ document can be downloaded from website and Response to RFQ can be submitted with fresh Demand Draft.</p> <p>2. Yes.</p>